



COURSE UNIT (MODULE) DESCRIPTION

Course unit (module) title in Lithuanian	Course unit (module) title in English	Code
Psichologiniai asmeninių finansų sprendimų ypatumai	Psychological peculiarities of person's financial decisions	

Annotation

Personal finance encompasses everyday decisions related to consumption, saving, investing, and future financial planning. By mastering this competence, students will not only be able to make informed financial decisions for themselves but also advise others on how to preserve the purchasing power of money in times of inflation. Is it worth saving? Is borrowing beneficial? Where should one invest?

While many financial theories focus on rational consumers and investors, recent global events — such as economic crises, pandemics and lockdowns, and wars — have drawn attention to emotion-based decision-making and financial behavior. This course lies at the intersection of psychology and finance, where knowledge of psychology helps explain why some individuals are able to save consistently while others are perpetually in debt. Is it possible to resist the impulse to buy? Why do rational beings often make irrational financial decisions? And can such behavior be changed?

Lecturer(s)	Department(s) where the course unit (module) is delivered
Coordinator: doc. Julija Bužinskė Other:	Saulėtekis ave. 22, Vilnius Vilnius University Business School

Study cycle	Type of the course unit (module)
First	General education

Mode of delivery	The period when the course unit (module) is delivered	Language(s) of instruction
Online	Spring (6th semester)	English

Requirements for students

Prerequisites: English level B2	Additional requirements (if any):
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Course (module) volume in credits	Total student's workload	Contact hours	Self-study hours
5	130	50	80

Purpose of the course unit (module):

The aim of the module is to provide students with psychological and financial knowledge, and—through the development of critical and analytical thinking – to foster their:

- financial responsibility,
- ability to assess economic processes and financial instruments,

<ul style="list-style-type: none"> - ability to identify risks and make financial decisions while appropriately evaluating their consequences. 		
Learning outcomes of the course unit (module)	Teaching and learning methods	Assessment methods
<ul style="list-style-type: none"> - The student will be able to evaluate their own and others' attitudes, financial habits, and social environmental factors influencing financial decisions, and select the most appropriate ways of interaction to achieve desired goals. 	Lectures, challenge-based / problem-based learning, project work.	Examination (preparation and presentation of the project work).
<ul style="list-style-type: none"> - The student will be able to assess the financial benefits or losses resulting from their own decisions. 	Problem-solving during lectures, project work.	
<ul style="list-style-type: none"> - The student will be able to analyse economic and financial processes and critically evaluate innovative financial instruments. 	Lectures, challenge-based / problem-based learning, project work.	
<ul style="list-style-type: none"> - The student will be able to identify financial risks, assess related consequences, and, if necessary, implement preventive measures. 	Lectures, project work.	
<ul style="list-style-type: none"> - The student will be able to apply various techniques to minimise the consequences of irrational financial decisions. 	Lectures, project work.	

Content	Contact hours							Self-study work: time and assignments	
	Lectures	Tutorials	Seminars	Exercises	Laboratory work	Internship / workplace	Contact hours	Self study hours	Assignments
1. Introduction. The concept of personal finance and the importance of psychological knowledge in financial decision-making.	2		1				3	4	Reading of compulsory and supplementary literature. <i>Madura J. (2020) 1. Overview of a Financial Plan</i>
2. Economic and financial processes – their interrelations and consequences for personal finances.	2		1				3	4	Group assignments for project work. Reading compulsory and supplementary literature. <i>Mishkin F.S. (2018) PART VI International Finance and monetary policy</i>
3. Cognitive factors in financial decision-making. Information environment and its interpretation.	2		1				3	3	Group assignments for project work.
4. Cash flows and their analysis. Cash flow management decisions. Expenditure analysis and evaluation. Opportunities and challenges of expenditure optimisation.	2		1				3	4	Group assignments for project work. Individual problem-solving. Reading compulsory and supplementary literature. <i>Madura J. (2020) PART 1. Tools for financial planning [2]</i>

5. Emotional factors in financial decision-making. The consequences of emotional decisions for individuals, organisations, and society.	2		1				3	3	Group assignments for project work.
6. Saving and investing. Decision-making criteria. Investment for pension accumulation.	2		1				3	4	Group assignments for project work. Reading of compulsory and supplementary literature. <i>Madura J. (2020) PART 5 Personal investing Jurevičienė, D (2015) 121–147 p. Chishti, S., Barberis, J. (2016) 13-34 p.; 88-131 p. Mishkin F.S. (2018) PART II Financial markets Madura J. (2020) PART 6: RETIREMENT AND ESTATE PLANNING Jurevičienė, D (2015) 148–187 p.</i>
7. Social factors in financial decision-making. Shared responsibility. The cost and impact of socially motivated decisions.	2		1				3	3	Group assignments for project work.
8. Lending. Justification of borrowing needs. Assessment of possibilities. Instruments and proper selection of the lender. Credit cycle. Credit analysis.	2		1				3	4	Group assignments for project work. Reading of compulsory and supplementary literature. <i>Madura J. (2020) PART 3. Personal financing Jurevičienė, D (2015) 98–104 p.</i>
9. Moral factors in financial decision-making. Issues of legality, ethics, and social responsibility.	2		1				3	3	Group assignments for project work.
10. Risk management. Insurance instruments and selection options. Hedge funds and risk management in financial markets.	2		1				3	4	Group assignments for project work. Reading of compulsory and supplementary literature <i>Madura J. (2020) PART 4: Protecting your wealth</i>
11. Prevention of risky financial behaviour.	4		2				6	20	Group assignments for project work.
12. Budgeting methodologies and practices. Planning and modelling. Assumption-setting and scenario selection.	2		1				3	9	Group assignments for project work. Individual problem-solving. Reading of compulsory and supplementary literature. <i>Madura J. (2020) PART 1. Tools for financial planning</i>
13. Methods for assessing benefits and losses.	2		1				3	8	Group assignments for project work. Individual problem-solving. Reading of compulsory and supplementary literature. <i>Madura J.</i>

									(2020) PART 1. Tools for financial planning
14. Application of personality theories in financial management.	4		2				6	9	Group assignments for project work.
15. Consultations, preparation for the final assessments.		2							
Total	32	2	16				50	80	

Assessment strategy	Weight, %	Deadline	Assessment criteria
Intermediate presentation of the project work.	20	During the semester	<p>The project work is prepared in groups on an agreed topic (a challenge selected from the context of personal finance discussed during lectures). During the project, the group analyses the personally types present within the group and identifies the dominant personality type within the group.</p> <p>An intermediate presentation of the problem is delivered. Evaluation criteria:</p> <p>Criteria:</p> <ol style="list-style-type: none"> 1. Accuracy and justification of the assumptions made; 2. Evaluation and selection of the personality type; 3. Originality and comprehensiveness of the presentation. <p>Grading scale:</p> <p>10 points – assumptions are made excellently, with well-founded evidence supporting their validity; personality types are correctly identified; the presentation is comprehensive and original.</p> <p>9 points – assumptions are made very well, with partial evidence supporting their validity; personality types are correctly identified; the presentation is comprehensive and original.</p> <p>8 points – assumptions are made well, with partial evidence supporting their validity; personality types are correctly identified; the presentation is not comprehensive but original.</p> <p>7 points – assumptions are made moderately well, with partial evidence supporting their validity; personality types are correctly identified; the presentation is not comprehensive but original.</p> <p>6 points – assumptions are made satisfactorily, with no evidence supporting their validity; personality types are incorrectly identified; the presentation is incomplete and lacks originality.</p> <p>5 points – assumptions are made weakly, with no evidence supporting their validity; personality types</p>

			<p>are incorrectly identified; the dominant and alternative types are not evaluated; the presentation is incomplete and lacks originality.</p> <p>0 points – no project presentation submitted.</p>
Egzaminas (projektinio darbo rengimas ir pristatymas)	80	During the examination period	<p>The project work is prepared in groups on an agreed topic (a challenge selected from the context of personal finance discussed during lectures). During the project, the group analyses the personally types present within the group and identifies the dominant personality type within the group. Groups must experimenting with or testing: 1) how use of technology influences financial decisions and emotions within identified personality types; 2) how use of technology can help in overcoming psychological biases and emotions in relation to financial decisions within identified personality types; 3) experimenting with or testing how use of technology can help in overcoming decision-making errors in relation to financial decisions within identified personality types; 4) how use of technology can be applied for the personal financial planning within identified personality types.</p> <p>The project work is prepared in presentation form, including calculations. The project work must also be presented.</p> <p>Criteria:</p> <ol style="list-style-type: none"> 1. Accuracy of the performed calculations; 2. Testing of technology; 3. Originality and comprehensiveness of the presentation. <p>A prepared but not presented project work is not evaluated.</p> <p>Grading scale:</p> <p>10 points – calculations are correct; adopted decisions correspond to the selected personality type; the technology topic is tested broadly and relative technology-related conclusions are drawn; the presentation is comprehensive and original.</p> <p>9 points – calculations are correct or contain minor, non-essential errors that do not affect the result; adopted decisions correspond to the selected personality type; the technology topic is tested and relative technology-related conclusions are drawn; the presentation is comprehensive and original.</p> <p>8 points – calculations are correct or contain minor, non-essential errors that do not affect the result; adopted decisions correspond to the selected personality type; the technology topic is tested and</p>

			<p>partial technology-related conclusions are drawn; the presentation is incomplete but original.</p> <p>7 points – calculations contain some errors; adopted decisions partially correspond to the selected personality type; the technology topic is partially tested and limited technology-related conclusions are drawn; the presentation is incomplete but original.</p> <p>6 points – calculations contain errors; adopted decisions do not correspond to the selected personality type; technology topic is not tested; the presentation is incomplete and lacks originality.</p> <p>5 points – calculations contain significant errors; adopted decisions do not correspond to the selected personality type; technology topic not tested; the presentation is incomplete and lacks originality.</p> <p>0 points – the project presentation has not been submitted.</p>
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Author	Year of publication	Title	Issue of a periodical	Author	Publishing place and house or web link
Compulsory books					
Madura, J.	2020	Personal Finance	7th Edition	Pearson	MKIC Ekonomikos skaitykla
Mishkin, F. S.	2018	The Economics of Money, Banking, and Financial Markets	12th Edition Global Edition	Pearson	MKIC Ekonomikos skaitykla
Chishti, S., Barberis, J.	2016	The FinTech Book		Wiley	MKIC Ekonomikos skaitykla
Jurevičienė, D.	2015	Asmeninių finansų pagrindai		Vilnius: Technika.	MKIC Ekonomikos skaitykla
Housel M.	2022	Pinigų psichologija: amžinos pamokos apie turtą, godumą ir laimę		Kita perspektyva	MKIC
Furnham A.	2014	The New Psychology of money		Routledge	VU bibliotekoje el. versija
Additional materials					
Kapoor J., Dlabay L., Hughes R.J., Hart M.	2020	Personal Finance	13th Edition	Mc Graw Hill	
Maison, D.	2019	The psychology of financial consumer behavior.		Springer Nature	
Billingsley R., Gitman, L.J., Joehnk M.D.	2020	Personal Financial Planning	15th Edition	Cengage Learning	
Keown A.J.	2022	Personal Finance	9th Edition	Pearson	

Petitt B.S., Pinto J.E., Pirie W.L.	2019	Fixed Income analysis	4 th edition	Wiley	
Laidi A.	2008	Currency Trading and Intermarket Analysis	1 st edition	Wiley	
H. Kent Baker, Greg Filbeck, Jeffrey H. Harris	2018	Commodities Markets, Performance, and Strategies		Oxford University Press	
H. Kent Baker, Greg Filbeck, Andrew C. Spieler	2019	Debt Markets and Investments		Oxford University Press	
Massie H.	2006	Financial DNA: Discovering Your Unique Financial Personality for a Quality Life		Wiley	